MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

March 2004

DATA SYSTEMS & ANALYSIS

Data Base and Application Development

Internet-Based Re-Licensure Applications
MHCC has agreed to assist the Maryland Board of Physicians (MBP) in further development of MBPs Internet-based re-licensure tool. In 2002, the MHCC staff developed the initial renewal application and released the product to the MBP which was responsible for operations. This year, relatively minor enhancements are anticipated as MHCC will move further along the path of migrating all technical support to MBP. One FTE will be dedicated to this project for approximately two weeks. MHCC will not incur any other costs associated with this contract.

The MHCC has received a request from the Board of Dentistry to develop a dentist renewal application. Due to staff vacancies, the MHCC has determined that it can not support another licensure application at this time

Medical Care Data Base
The updates and enhancements to this year's *Data Submission Manual* were completed in late February. Staff intends to provide payers with a hard copy version of the manual around mid-March. The *Data Submission Manual* is also available at the MHCC Web site. Staff assisted six payers on various issues relating to claims data submission in accordance with COMAR 10.25.06.

Staff developed the request for proposal (RFP) for selecting a Medical Care Data Base (MCDB) vendor. Staff anticipates releasing the RFP to the industry in early April. Staff plans to conduct vendor interviews in early May and select a vendor by the end of May.

Ambulatory Surgical Survey
Approximately 20 percent of ambulatory surgical centers completed their online 2004 ambulatory surgical survey within the first 15 days. Centers have 45 days from the notification date to complete the survey. A sizable decrease in MHCC industry support services is expected this year due to industry awareness initiatives and some content-related and online navigational enhancements to the survey.

Cost and Quality Analysis

Practitioner Report
The staff will release ***Practitioner Utilization: Trends within Privately Insured Patients from 2001 to 2002*** at the March meeting of the Commission. The report, mandated under MHCC's enabling statute, examines payments to physicians and other health care practitioners for care provided to privately insured Maryland residents under age 65. The analyses are based on the health care claims and encounter data that private health insurance plans serving Maryland residents submit annually to the Commission as part of the Medical Care Data Base. A key

objective of this report is to attempt to quantify the increase in professional services used by non-elderly privately insured Maryland residents. Among the principal findings:

- The major factor driving the twelve percent increase in total service volume was the continued growth in services per patient and, to a lesser extent, by an increase in the number of persons seeking care. Payment rate increases to providers accounted for small portion of the increase from 2001 to 2002. The payment rates increased by about 2.2 percent; a significant increase in reimbursement rates for office visits by one major Maryland insurer was the main factor behind the growth. The rate increase in 2002 was the first increase in provider reimbursement levels that MHCC has reported since 1999.

- Non-HMO payment rates to providers are about three percent above Medicare rates on average and HMO rates are about three percent lower. The primary reason for the improvement relative to Medicare from 2001 is the small increase in private rates and the 4.5 percent decrease in Medicare rates in 2002. Private payment rates in the state put Maryland reimbursement in the bottom one-quarter of all states in terms of private sector payments relative to Medicare.

- The fastest-growing broad category of service for both HMOs and non-HMOs was imaging. Simple imaging, advanced imaging (MRI, CAT, and Cardiac), and ethnography all increased more rapidly than the growth for all services. Procedures, particularly major surgical procedures, were not a significant contributor to spending growth, although these services account for a significant portion of total spending.

DHMH's Diabetes Prevention & Control Program (DPCP)
MHCC and the Department of Health and Mental Hygiene's (DHMH's) Office of Disease Prevention, Diabetes Prevention and Control Program (DPCP) will release an RFP to identify a vendor to assist the MHCC and DHMH in constructing baseline measures for assessing diabetes treatment in Maryland Medicare beneficiaries in 2002. MHCC and DHMH hope to make an award by the end of April. Funding for this work will be provided by the Centers for Disease Control and Prevention (CDC).

The results from the study that will result from the RFP will be used to better understand how the prevalence of diabetes and the quality of diabetes care differs by patient demographic characteristics. These measurements will form a baseline that will be used by DPCP in the assessment of its new five-year (2003-2008) work plan. (The baseline information developed from this study of claims data will be supplemented by and compared to other data DPCP is collecting and analyzing, including information from the Centers for Disease Control's Diabetes Module in Maryland's 2001 and 2002 Behavioral Risk Factor Surveillance System survey, baseline data constructed by community health centers, hospital discharge data, vital statistics data, and a separately funded study of the use of renal dialysis by diabetics.) Additionally, information for two of the quality of care measures in this study will be compared to results from an earlier MHCC-funded study of quality of diabetic care conducted using 1997 data to determine what progress was made from 1997 to 2002.

EDI Programs and Payer Compliance

Maryland Trauma Physician Services Fund
Development of the Web-based uncompensated care application continued during the month of February. Internal testing of the application is scheduled for around mid-March. Staff intends to invite representatives from Johns Hopkins Medical System and Shock Trauma to review the

application and provide staff with some preliminary feedback. The Commission intends to encourage large faculty practice plans to submit their July uncompensated care applications online. MHCC will continue to accept hard copy uncompensated care applications from trauma physicians that prefer to submit paper applications.

Staff continued to work with representatives from the Maryland Institute for Emergency Medical Services (MIEMMS) to develop a process for receiving select data elements from the Trauma Registry. Information from the Trauma Registry will be used by staff to validate patients submitted on the uncompensated care applications as trauma patients. Starting in April, MIEMMS will provide MHCC with a limited data base containing trauma registry number, patient name, ED arrival data, admit date, ED disposition, and discharge date each month.

MHCC conducted a trauma billing *Question & Answer Session* at Prince George's Hospital Center. The session was aimed at addressing various questions about the Fund that staff received over the last couple of months. Staff will conduct a similar *Question & Answer Session* at the Commission's offices and at the Hagerstown Robinwood Center in March.

Staff intends to conduct several application review workshops around the state in late April as a way to increase the accuracy of uncompensated care and on-call applications submitted to the Fund. These workshops are aimed at providing trauma physicians and trauma centers with preliminary feedback on the completeness of their applications. Staff will conduct workshops in Baltimore City, the Eastern Shore, and in Western Maryland

Over the last month, staff received about 15 miscellaneous inquiries relating to the Fund. Staff is developing a Provider Information Bulletin which includes an assortment of useful billing information for trauma physicians. Provider Information Bulletins will be produced for trauma physicians on a quarterly basis. Staff also updated the Trauma Fund Information Flier on its Web page.

MHCC conducted a pre-bid meeting on its auditing RFP. Approximately five vendors attended the meeting. Interested vendors had until the close of business on March 4th to submit a response to the RFP. Final bids were received from Clifton-Gunderson, Abrams, Foster, Noch, and Chesapeake Management. A selection committee consisting of representatives from MHCC and the HSCRC are scheduled to review proposals during the third week of March. The selection committee plans to make a decision by the end of March. Coordinating development of the work plan with the selected vendor will begin in April. Auditing of uncompensated care applications and Medicaid claims is targeted to begin in June 2004.

Approximately $5.3 million is available for distribution from the Fund as of the end of January. The Motor Vehicle Administration is on target for collecting about S8.9 million for distribution by fiscal year end.

HIPAA Awareness

MHCC's HIPAA education and awareness initiatives continued throughout February. Over the last month, staff received approximately 20 telephone inquiries from payers and providers requesting guidance in interpreting the regulations. MHCC is viewed by practitioners and health care facilities as a reliable source for obtaining HIPAA information. Last month, staff provided support to the following groups:

- Montgomery County Medical Society – Coordinated a HIPAA transaction conference call with CareFirst and Montgomery County practice administrators. Approximately 30 practice administrators participated on the conference call
- EPIC Pharmacies – Provided consultative support on the privacy regulations to approximately 9 pharmacies. Worked with association leadership to develop a HIPAA workshop during their end of summer conference.
- Prince George's Hospital Center – Presented on the privacy, security, and national provider identifier regulations to about 45 physicians and practice administrators.
- Carroll County Hospital Center – Set up a transaction meeting between the hospital and WebMD to resolve EDI barriers preventing the hospital from sending electronic transactions.
- Maryland Academy of Pediatrics – Provided consultative support on the privacy regulations.
- Alleghany Ambulatory Surgical Center – Addressed issues on privacy for the practice administrator.
- Doctors Community Hospital – Presented on the privacy, security, and national provider identifier regulations to about 45 physicians and practice administrators.
- Southern Maryland Dental Society – Presented on the transaction standards and privacy to about 40 dentists.

Staff continues to receive requests from medical and non-medical health care associations for HIPAA-related education. A number of associations have asked the Commission to overview the security standards and the recently released national provider identifier regulations later in 2004.

EDI Education

Over the last month the EDI/HIPAA Workgroup sub-committee continued to develop the draft *Practice Management System Report Card* and *Payer Internet Resource Guide for Practitioners*. A sub-committee was formed from the EDI/HIPAA Workgroup to provide staff with recommendations on developing these information resource guides. During the last 30 days, the sub-committee met on three different occasions. The *Practice Management System Report Card* is intended for providers to use in evaluating practice management systems. The *Payer Internet Resource Guide for Practitioners* provides summary and detail information about online features available to providers. MHCC plans to make these guides available to providers in hard copy form and online. The EDI/HIPAA Workgroup meets again on April 6th and is expected to continue developing these information resource guides.

The Commission received an MHCC-certification application from Practice Works, a national electronic health network specializing in dental transactions which is based in Hunt Valley Maryland. Practice Works is looking to expand its direct connect to dental payers in the Maryland market place. Presently, eight electronic health networks are in MHCC candidacy status. Candidacy status allows an electronic health network to do business in the state while fulfilling EHNAC (Electronic Health Network Accreditation Commission) accreditation and MHCC-certification requirements. Staff continued to provide consultative support to Trojan Billing Services, a network that plans to submit an application for certification in late March. Staff completed an initial review of Protologics' self-assessment documentation. Protologics is seeking certification under the Commission's small network certification program.

Staff completed a series of follow up activities with payers required to submit a 2004 EDI Progress Report. Each year, staff conducts various education and awareness initiatives with reporting payers in an effort to increase the quality of information contained in the report.

Approximately 45 payers are planning to submit an EDI Progress Report in compliance with COMAR 10.25.09.

Staff continued to identify high volume paper claim submitters across leading payers. This information is being used by staff to identify large paper claim submitters statewide. Staff intends to launch an EDI education and awareness program in April focusing on large volume paper claim submitters.

Staff distributed EDI/HIPPA information at the annual MedChi Mardi Gras event. Medical and non-medical health care associations frequently invite staff to distribute information on the Commission's activities at their association events. Topic areas of particular interest include HIPAA compliance, EDI vendor selection, health insurance coverage (many providers are small employers), and health care costs. Staff estimates that MHCC will distribute information for approximately ten health care associations at multiple conferences in 2004.

PERFORMANCE & BENEFITS

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)
At the October 2003 meeting, Commission staff presented the analysis and staff recommendations on proposed changes to the CSHBP. The Commission approved the staff recommendations along with the proposed draft regulations, which were published in the *Maryland Register* on December 26, 2003, subject to a comment period which ended on January 27, 2004. No public comments were received. The Commission approved the adoption of the regulations as proposed at the February meeting. All adopted changes to the CSHBP are put into regulations and implemented, effective July 1, 2004.

On January 30, 2004, Commission staff mailed the survey material to all carriers participating in the small group market in Maryland to collect their annual financial data. The deadline for carriers to submit these data is April 2nd. Staff will complete an analysis of the survey results, including number of lives covered, number of employer groups purchasing the CSHBP, loss ratios, average premiums as they relate to the 10-percent affordability cap, etc. Staff will present these findings to the Commission in the spring.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, Chambers of Commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Evaluation of Mandated Health Insurance Services
In November 2003, the *Annual Mandated Health Insurance Services Evaluation* (as required under Insurance Article § 15-1501, *Annotated Code of Maryland*) was released for public comment. The Commission's consulting actuary, Mercer Human Resource Consulting (Mercer), evaluated two stakeholder-requested mandates as to their fiscal, medical and social impact. No public comments were received; however, a subsequent meeting with one of the requesting legislators led to an alternative request for analysis. This subsequent analysis will be produced as an addendum to the current report. At the December 2003 meeting, the Commission approved the current report for release to the Legislature. A presentation was made to the Senate Finance Committee on February 4th. The final report also can be found on the Commission's website.

The 2003 General Assembly passed HB 605, "Evaluation of Mandated Health Insurance Services." As a result, § 15-1502 of the Insurance Article of the *Code of Maryland* was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all

existing mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

A draft of the *Study of Mandated Health Insurance Services: A Comparative Evaluation* (as required under Insurance Article § 15-1502) was released for public comment on November 25, 2003. The Commission received public comments that opposed the elimination of the IVF mandate, which has been noted in the report. At the December 2003 meeting, the Commission requested that Mercer provide further analysis on the comparison of Maryland's mandates to those in other states before the report is approved for release to the Legislature. At the January 2004 meeting, the final report was approved by the Commission. Commission staff presented the two Mandated Services reports to the Senate Finance Committee on February 4th. The report also is available on the Commission's website.

Actuarial Services Request for Proposal (RFP)
Commission staff is in the process of preparing a Request for Proposal (RFP) for actuarial consulting services. The current contract with Mercer expires at the end of the fiscal year, June 30, 2004. The RFP will be seeking actuarial services for two years, plus one option year.

Legislative and Special Projects

Uninsured Project
DHMH, in collaboration with the MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the one year grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A sixth meeting with the Health Care Coverage Workgroup was held on March 1, 2004. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the state. During the March meeting, staff from the MHCC updated the

Workgroup on current legislation in the Maryland General Assembly that attempts to improve access to health care coverage. In addition, staff from the Johns Hopkins University presented results on modeling the cost and impact of expanding Maryland's medical assistance program. Johns Hopkins staff also presented results from their analysis on options to expand coverage to young adults. The next meeting with the Workgroup has not been scheduled.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services in November and the final report due in July 2004. The final report must outline an action plan to continue improving access to insurance coverage in Maryland. A report outlining the options to expand coverage to Maryland's uninsured was delivered to the members of Maryland's General Assembly in February.

Patient Safety

Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it is currently codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees—the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee—on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in January and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, Rosemary Gibson, author of *Wall of Silence*, spoke to the Coalition about the need for better communication between health care providers and patients and their family members when an adverse event or near miss occurs, and the importance of public support for patient safety. The next Coalition meeting has not been scheduled.

Commission staff has released a request for proposal (RFP) to designate the Maryland Patient Safety Center. Staff is currently reviewing those proposals which were received and will select the vendor to receive the designation. Criteria for the award are specified in the RFP and will be the basis for the designation.

2004 Legislative Session
The 2004 Maryland General Assembly session commenced January 14th and adjourns April 12, 2004. MHCC staff has briefed the House Health and Government Operations Committee and the Senate Finance Committee on the Commission reports related to the small group market, mandated benefits, patient safety, the State Health Plan for Facilities and Services: Cardiac Surgery and Percutaneous Coronary Intervention, the Hospice Report and provider reimbursement (HB 805 of 2002). In addition, staff has reviewed numerous bills, including 40 bills that directly affect the Commission's activities or are related to the Commission's mission. As of March 10, 2004, the Commission has taken a position or written letters of information/support/concern on 40 bills.

Facility Quality and Performance

Nursing Home Report Card
Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Care Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

In addition to indicators selected by the Maryland Nursing Home Performance Evaluation Guide Steering Committee, the site also includes the quality measures that are reported on the CMS Nursing Home Compare Website. Inclusion of this information on the Maryland site provides consumers with the ability to obtain comprehensive information in one location. The CMS measures were enhanced in January 2004 and are now consistent with the consensus recommendations from the National Quality Forum. The fourteen enhanced quality measures build on the original ten measures and provide additional information to help consumers make informed decisions. MHCC is in the process of adding the new measures to the site.

Evaluation of the Nursing Home Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement is to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Nursing Home Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group is now in the process of incorporating all comments and finalizing the report for presentation to the Commissioners during the April 2004 meeting.

Nursing Home Patient Satisfaction Survey: The Commission also contracted for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state

agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines.

A report that included a review of the literature and interviews with various states was presented to the Nursing Home Report Card Steering Committee during its January 2004 meeting for review and comment. The report provides draft recommendations that should guide the selection of a tool for the state. Given the length of the report and the importance of the recommendations, Steering Committee members were provided with additional time to review and comment on the document and were encouraged to share the report with the members of their various organizations. Very few additional comments were received and the report is now is the process of being finalized. The second phase of the project involves selecting a satisfaction tool. This phase is expected to conclude in August 2004.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held in May 2003. The revised Guide includes quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for 33 high volume hospital procedures. DRG data were updated to include admissions occurring between December 1, 2001 and November 30, 2002 and were posted on the Website in November 2003.

New Core Measures: Last year, the MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003. The new measures will be publicly reported in the fall of 2004.

Obstetrics Measures: The Commission also convened an Obstetrics Workgroup to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The workgroup has met three times, with the last meeting held on February 29, 2004. The initial set of 42 recommended elements was forwarded to the Hospital Performance Evaluation Guide Steering Committee and they were approved. The Commission's contractor,

Delmarva Foundation, subsequently extracted the data for each of the elements using the HSCRC data base. The obstetrical data along with an obstetrical services survey was sent to each hospital for review. The elements will be presented to the Commissioners in March 2004 with an expected public roll out on May 7, 2004.

Patient Safety Public Reporting Workgroup: The first meeting of the Patient Safety Public Reporting Workgroup was held on February 13, 2004. The purpose of this workgroup will be to examine potential patient safety measures that are appropriate for public reporting via the Maryland Hospital Performance Evaluation Guide. During the first meeting, the workgroup was provided with a brief overview of the current Guide and a presentation on measures that are available or publicly reported by other states and organizations. The next meeting will be held on March 26, 2004 and the group will now begin to explore measures that may be appropriate for reporting in Maryland.

Evaluation of the Hospital Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide.

All interviews were completed in January 2004 and a draft report was presented to the Hospital Performance Evaluation Guide Steering Committee for review and comment. The Lewin Group is now in the process of incorporating all comments and finalizing the report for presentation to the Commissioners during the April 2004 meeting.

CMS Pilot Project: The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee serves as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

As a part of the pilot, hospitals from the three states participated in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by the Agency for Healthcare Research and Quality (AHRQ) and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data were analyzed in December 2003. The final instrument was released by CMS for review and public comment through February 2004.

The Maryland Performance Evaluation Guide Steering Committee received a briefing on the pilot results during the January 27, 2004 meeting and agreed, in concept, that Maryland should pursue the use of the tool to collect patient satisfaction data for the *Maryland Hospital Performance Evaluation Guide*. MHCC staff will meet with representatives of CMS and AHRQ to discuss an additional pilot of the tool that will take place this summer.

In addition to the Pilot Project, a national coalition of healthcare organizations, including the American Hospital Association (AHA), the American Association of Medical Colleges (AAMC), the Federation of American Hospitals (FAH), the National Quality Forum (NQF) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), are participating in a

voluntary initiative that encourages every hospital in the country to collect and publicly report quality information.

The "starter set" of measures draws from three of JCAHO's Core Measure Sets: Acute Myocardial Infarction (AMI), Congestive Heart Failure (CHF) and Community-Acquired Pneumonia (CAP). This information, in addition to being on the MHCC website, was released on the CMS Website (www.medicare.gov) on November 6, 2003. This month, CMS announced that hospitals that do not submit performance data for ten quality measures will receive 0.4 percent smaller Medicare payments in fiscal year 2005 than hospitals that do report quality data. The Health Services Cost Review Commission (HSCRC) is considering the impact of this ruling for Maryland hospitals.

Other Activities: The Facility Quality and Performance Division is also participating in the planning process for a new HSCRC Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attends the HSCRC Quality Initiative Steering Committee meetings on an ongoing basis. The draft report of the HSCRC Steering Committee was also presented to the Hospital Performance Evaluation Guide Steering Committee on January 27, 2004 for review and comment.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASFs). The Commission developed a web-based report that was also released on May 16, 2003. The 2002 data are now available and were added to the site in January 2004.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and consists of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Quality and Performance

Distribution of Publications

Historically, paper distribution slows substantially after winter distribution ends. Efforts have shifted toward employers that conduct spring open enrollment to regain some momentum. The Maryland Association of Counties is among several organizations that staff has been communicating with to bring the Consumer Guide to employer and employee health care coverage purchasers. These efforts will continue throughout March. Although a decrease in requests occurred last month, electronic accessing of the Consumer Guide shows that interest has maintained a steady volume of monthly visitors since the publication's release last September. Additionally, several health plans, libraries, and government programs requested paper copies of the Consumer Guide during February.

Division staff finalized content changes to the Performance Evaluation Bookmarks. Once the document has been converted to a publication design format, competitive bids will be sought for

print production. Activities related to production should conclude in March allowing full replenishment of the depleted inventory.

Distribution of 2003 HMO Publications

Cumulative distribution: Publications released 9/29/03	**9/29/03- 2/29/04**	
	Paper	**Electronic Web**
Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide **(25,000 printed)**	16,382	Interactive version Visitor sessions = 1,691
		PDF version Visitor sessions = 1,708
2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland **(700 printed)**	444	Visitor sessions = 901
Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide— **60,000 printed and distributed during open enrollment**		

7th Annual Policy Report (2003 Report Series) –
Released January 2004; distribution continues until January 2005

Maryland Commercial HMOs & POS Plans: Policy Issues **(1,000 printed)**	629	Visitor Sessions = 160

2004 Performance Reporting: HEDIS Audit and CAHPS Survey

HEDIS Audit Activities
HealthcareData.com (HDC) conducted one site visit during February, which staff member Zeke Barbour attended. The onsite review of CIGNA Healthcare allowed direct observation of information systems through scheduled demonstrations. Key staff members from CIGNA, relative to the processes under review, were present for the auditor to interview. Staff prepared for this activity by conducting a review of all preliminary documentation submitted by the plan. Issues identified as a result of the review were discussed with the auditor and subsequent information requests were coordinated through our audit contact. Staff will conduct an in-house check of data reasonableness once the requested data are received from the plan.

Division staff continued the task of documentation review to become similarly familiar with the processes implemented by the four other plans for which oversight will take place. In March, staff will attend onsite reviews for Aetna, BlueChoice, and both MAMSI plans. Meetings are scheduled with the respective auditors assigned to these plans to discuss any findings or needs for additional documentation prior to the visits. HDC is on track for completing all tasks, as stipulated, for this phase of the audit.

Proposed Changes to HEDIS 2005
Staff received notification of NCQA's public comment period asking for comment on the proposed changes to HEDIS 2005. Three of the five new measures proposed target the commercial product line. The three process measures are: Use of Imaging Studies for Low Back Pain, Disease Modifying Anti-rheumatic Drug Therapy in Rheumatoid Arthritis, and Persistence of Beta Blocker Therapy after a Heart Attack. Several utilization measures are slated for retirement. Additionally, NCQA has proposed changes to four measures for which plans currently report their results. The suggested changes integrate the latest clinical guidelines developed by leaders in various medical fields and guidelines developed by federal agencies. Staff will examine the changes and comment as appropriate by the March deadline.

Consumer Assessment of Health Plan Study (CAHPS Survey)
As a check on the survey process, HMO Quality & Performance staff was seeded for each of the four scheduled mailings to sample members from each plan. To date, two waves of mailing have been completed. To compare the distribution of sample members from each product to the distribution by product of the total enrolled population, Synovate provided MHCC with a report showing distribution frequencies. Sample frequencies demonstrate that enrollees in each product, HMO and POS, are proportionally represented in the survey sample for each plan.

Report Development Contract/Policy Report
HMO Quality & Performance staff met with NCQA, the report development contractor, in February for a debriefing session to examine the process employed in creating the recent series of reports. Staff presented a model approach to improve efficiencies in data output and verification. Subsequently, a template was created and submitted to the contractor to reinforce key aspects discussed. The contractor will review its production logs to identify specific labor expenditures on data production errors and provide staff with feedback on the feasibility of reducing inefficiencies using the new data model.

HEALTH RESOURCES

Certificate of Need

Health-General §19-120(k), *Annotated Code of Maryland*, establishes the level of capital expenditure proposed "by or on behalf of a health care facility" regulated by the Commission that will require Certificate of Need (CON) review. Further, COMAR 10.24.01B(33) requires the Commission to adjust the statutory capital expenditure review threshold of $1.25 million on an annual basis, according to the Consumer Price Index-Urban (CPI-U) for the Baltimore Metropolitan Area published by the U.S. Department of Labor Statistics, and rounded off to the nearest $50,000. The Commission staff has determined that under the updated CPI-U index for January 2004 issued by the Department of Labor, Bureau of Labor Statistics in late February, the statutory capital expenditure review threshold is increased from $1.55 to $1.6 million. Notice of this increase will be published in the March 19, 2004 *Maryland Register*.

Staff has updated the page for "Construction Characteristics" in the Hospital Application for CON form in order to conform to new variables in the *Marshall Valuation Service* analysis of cost benchmarking for capital projects.

During February 2004, the following determinations of non-coverage from CON review were issued to three Montgomery County facilities--Mariner Health at Circle Manor in Montgomery County for the permanent relinquishment of 4 temporarily delicensed comprehensive care beds; Kensington Nursing and Rehabilitation Center, for the relicensure of 14 of 61 temporarily delicensed beds at the facility; and Potomac Ridge Behavioral Health for the reallocation of special hospital psychiatric beds from 56 to 60 adult beds, and from 40 to 25 adolescent beds--and Fairfield Nursing Center in Anne Arundel County for the temporary delicensure of 5 comprehensive care beds. Staff also issued determinations of non-coverage from CON review to Mariner Health of Overlea, Baltimore City, for the right to operate 10 temporarily delicensed comprehensive care facility beds considered abandoned and to Chapel Hill Nursing Home in Baltimore County for the right to operate 4 temporarily delicensed comprehensive care facility beds considered abandoned. The temporary delicensure of the 17 bed sub-acute care unit at North Arundel Hospital, also in Anne Arundel County, was determined to be not reviewable; however, closure of the subacute unit will require exemption from CON action by the Commission, pursuant to Health-General article 19-120(l).

Staff also issued determinations of non-coverage from CON review involving surgery centers: for the Surgery Center of Potomac in Montgomery County to establish an ambulatory surgery center with one sterile OR; Mid-Atlantic Pain & Vascular Surgicenter, Ltd. in Prince George's County to establish an ambulatory surgery center with one sterile OR and one non-sterile procedure room; the University of Maryland Urological Surgery Center in the City of Baltimore for the addition of Dr. Michael Phelan as a provider at the existing center; and the Carroll County Eye Surgery Center, LLC for corrections to details related to its previously authorized surgery center.

In addition, the proposed acquisition of Therapeutic Home Health Services, Inc. by Professional Healthcare Resources was denied in February because Therapeutic Home Health Services' license expired on October 18, 2002 and was not renewed. The Commission deemed that the authority to provide home health services in Baltimore County had been abandoned by Therapeutic Home Health Services and, therefore, no agency existed to be acquired.

Acute and Ambulatory Care Services

A public hearing was held on February 3, 2004 to consider public comments on the proposed permanent changes to COMAR 10.24.10, the State Health Plan for Facilities and Services for Acute Inpatient Services. These changes were initially approved at the December 2003 Commission meeting. Specifically, changes were approved to the acute care bed need projections, to the methodology underlying those projections, and to policies related to approval of capital projects proposing increases in acute care beds pursuant to the bed need projections. At its March meeting, the Commission will consider staff's recommendation in response to those comments. If approved, the regulation will become effective on April 12, 2004.

Long Term Care and Mental Health Services

Preliminary work has been completed on modifying the nursing home bed projection methodology to use the Minimum Data Set (MDS). Updated Maryland population estimates and projections have been received from the Maryland Office of Planning. This data will be incorporated into future projections.

A joint memorandum from the Commission and the Office of Health Care Quality has been sent to those nursing home facilities missing primary residence data for 20 percent or more of their residents in 2002. This is data needed by the Commission for planning for future long term care capacity. Myers and Stauffer, the Commission's contractor for MDS data, will follow up with facilities in order to improve the completeness and accuracy of data submitted.

The Commission is in the process of collecting data from all Maryland hospice programs via an online survey. This survey process became operational February 17, 2004. Hospices are currently in the process of submitting data to the Commission.

Specialized Health Care Services

At its meeting on February 20, 2004, the Commission adopted new regulations under COMAR 10.24.17, the State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services. Notice of the proposed action was published in the *Maryland Register* on December 12, 2003. Notice of the final action was published on March 5, 2004. The Commission made no changes to the originally proposed text of the regulations. The effective date of the regulations is March 15, 2004.

On March 9th, Donald E. Wilson, M.D., MACP, Chairman of the Maryland Health Care Commission, and Commission staff testified before the House Health and Government Operations Committee on House Bill 1198 (HB 1198), entitled Health Care Facilities – Advanced Cardiac Health Care Services.

The Work Group on Rehabilitation Data will meet at 1:00 p.m. on March 25th in Room 100 at 4160 Patterson Avenue, Baltimore, Maryland 21215. The Work Group will review discharge abstract data for the third quarter of calendar year 2003 and discuss public reporting on licensed inpatient rehabilitation facilities in Maryland. The Work Group will also review quarterly survey data for the fourth quarter of 2003, which facilities were required to submit by March 12th.

Staff continued to collect data on the utilization of bone marrow and stem cell transplant programs in Maryland, the District of Columbia, and Northern Virginia for the fourth quarter of

calendar year 2003. The survey data are used to examine policy options for the State Health Plan for Facilities and Services chapter on Organ Transplant Services, and to monitor the utilization of services.